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Press Release

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ATTORNEYS GENERAL SETTLES WITH H&R BLOCK SERVICES **Tax preparation firm agrees to reimburse consumers** **for "Peace of Mind" guarantee**

H&R Block Services, Inc. has agreed to establish a fund to reimburse clients who paid for the tax-preparation company's "Peace of Mind" guarantee but may not have wanted to purchase the optional service, Attorney General Darrell V. McGraw announced today.

Attorneys general from 41 states and the District of Columbia began investigating H&R Block after receiving complaints that the company was charging consumers for its "Peace of Mind" guarantee, without the consumers' consent or knowledge.

Attorney General McGraw said H&R Block added a fee of \$22 that guaranteed that H&R Block would pay up to \$5,000 of additional income tax owed as a result of a tax preparer's error. H&R Block denies that it violated any consumer protection statutes and maintains that it did not deprive its customers of the choice.

Under the terms of the settlement announced by Attorney General McGraw, H&R Block will seek a consumer's written affirmative agreement before charging for the guarantee in the future. The company may not make a representation that it "recommends" purchasing the guarantee until the customer has been provided the material terms and conditions of the guarantee.

The agreement also requires H&R Block to establish a \$1 million fund to pay refunds to eligible consumers who had their tax returns prepared at an H&R Block office during the 2001 tax season.

"To be eligible, consumers must have had a tax return prepared in the 2001 tax season, been charged for the guarantee as an additional component, never used the guarantee and believe they were never informed that the guarantee was added for a fee to their tax preparation service," Attorney General McGraw said.

Eligible consumers must make a request for a refund either by phone to a toll-free number at 866-522-7083 or by the website that H&R Block has created at http://www.hrblock.com/customer_support/pom.jsp (English) or http://www.hrblock.com/customer_support/pom_es.jsp (Spanish). The toll-free number and websites will be activated on April 24, 2003.

Consumers must make application for refund within 120 days of the date of the agreement between the states and H&R Block, **no later than August 22, 2003.**

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